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**AB-2672 California Alternate Rates for Energy program: public housing authority owned or administered Homekey housing facilities. (2023-2024)**

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**Assembly Bill No. 2672**

**CHAPTER 732**

An act to amend Section 739.1 of the Public Utilities Code, relating to energy.

[ Approved by Governor September 27, 2024. Filed with Secretary of State September 27, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2672, Petrie-Norris. California Alternate Rates for Energy program: public housing authority owned or administered Homekey housing facilities.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires the commission to establish a program of assistance to low-income electricity and gas customers with annual household incomes that are no greater than 200% of the federal poverty guidelines levels, referred to as the California Alternate Rates for Energy or CARE program.

Existing law establishes the Multifamily Housing Program administered by the Department of Housing and Community Development. Existing law requires that specified funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses. This disbursement scheme is referred to as Homekey.

This bill would require that the CARE program include public housing authority owned or administered Homekey housing facilities where the residents of the facility substantially meet the CARE program's income eligibility requirements, as determined by the commission, and the account is in the name of Homekey, a nonprofit funded by Homekey, or the public housing authority that owns or administers the facility. The bill would require the commission to authorize electrical corporations and gas corporations to offer discounts to those facilities and to establish a feasible process for certifying that the assistance is used for the direct benefit of the residents of those facilities.

Under existing law, a violation of the Public Utilities Act, or of an order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act, and because a violation of a commission action implementing its requirements would be a crime, the bill would impose a state-mandated local program.

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.

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

### **SECTION 1.** Section 739.1 of the Public Utilities Code is amended to read:

**739.1.** (a) The commission shall continue a program of assistance to low-income electricity and gas customers with annual household incomes that are no greater than 200 percent of the federal poverty guideline levels, the cost of which shall not be borne solely by any single class of customer. For one-person households, program eligibility shall be based on two-person household guideline levels. The program shall be referred to as the California Alternate Rates for Energy or CARE program. The commission shall ensure that the level of discount for low-income electricity and gas customers correctly reflects the level of need.

(b) The commission shall establish rates for CARE program participants, subject to both of the following:

(1) That the commission ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures, pursuant to subdivision (b) of Section 382.

(2) That the level of the discount for low-income electricity and gas ratepayers correctly reflects the level of need as determined by the needs assessment conducted pursuant to subdivision (d) of Section 382.

(c) In establishing CARE program discounts for an electrical corporation with 100,000 or more customer accounts in California, the commission shall ensure all of the following:

(1) The average effective CARE program discount shall not be less than 30 percent or more than 35 percent of the revenues that would have been produced for the same billed usage by non-CARE program customers. The average effective discount determined by the commission shall not reflect any charges for which CARE program customers are exempted, discounts to fixed charges or other rates paid by non-CARE program customers, or bill savings resulting from participation in other programs, including the medical baseline allowance pursuant to subdivision (c) of Section 739. The average effective CARE program discount shall be calculated as a weighted average of the CARE program discounts provided to individual customers.

(2) If an electrical corporation provides an average effective CARE program discount in excess of the maximum percentage specified in paragraph (1), the electrical corporation shall not reduce, on an annual basis, the average effective CARE program discount by more than a reasonable percentage decrease below the discount in effect on January 1, 2013, or that the electrical corporation had been authorized to place in effect by that date.

(3) The entire CARE program discount shall be provided in the form of a reduction in the overall bill for the eligible CARE program customer.

(d) The commission shall work with electrical and gas corporations to establish penetration goals. The commission shall authorize recovery of all administrative costs associated with the implementation of the CARE program that the commission determines to be reasonable, through a balancing account mechanism. Administrative costs shall include, but are not limited to, outreach, marketing, regulatory compliance, certification and verification, billing, measurement and evaluation, and capital improvements and upgrades to communications and processing equipment.

(e) The commission shall examine methods to improve CARE program enrollment and participation. This examination shall include, but need not be limited to, comparing information from the CARE program and the Universal Lifeline Telephone Service (ULTS) program to determine the most effective means of using that information to increase CARE program enrollment, automatic enrollment of ULTS program customers who are eligible for the CARE program, customer privacy issues, and alternative mechanisms for outreach to potential enrollees. The commission shall ensure that a customer consents before enrollment. The commission shall consult with interested parties, including ULTS program providers, to develop the best methods of informing ULTS program customers about other available low-income programs and the best mechanism for telephone providers to recover reasonable costs incurred pursuant to this section.

(f) (1) The commission shall improve the CARE program application process by cooperating with other entities and representatives of California government, including the California Health and Human Services Agency and the Secretary of California Health and Human Services, to ensure that all gas and electricity customers eligible for public assistance programs in California that reside within the service territory of an electrical corporation or gas corporation, are enrolled in the CARE program. The commission may determine that gas and electricity customers are categorically eligible for CARE program assistance if they are enrolled in other public assistance programs with substantially the same income eligibility requirements as the CARE program. To the extent practicable, the commission shall develop a CARE program application process using the existing ULTS

program application process as a model. The commission shall work with electrical corporations, gas corporations, and the Low-Income Oversight Board established in Section 382.1 to meet the low-income objectives in this section.

(2) The commission shall ensure that an electrical corporation or gas corporation with a commission-approved program to provide discounts based on economic need in addition to the CARE program, including a Family Electric Rate Assistance program, uses a single application form, to enable an applicant to alternatively apply for any assistance program for which the applicant may be eligible. It is the intent of the Legislature to allow applicants under one program, who may not be eligible under that program, but who may be eligible under an alternative assistance program based on economic need, to complete a single application for any commission-approved assistance program offered by the public utility.

(g) It is the intent of the Legislature that the commission ensure CARE program participants receive affordable electrical and gas service that does not impose an unfair economic burden on those participants.

(h) The CARE program shall, as soon as practicable, include nonprofit group living facilities specified by the commission, if the commission finds that the residents in these facilities substantially meet the commission's low-income eligibility requirements and there is a feasible process for certifying that the assistance shall be used for the direct benefit, such as improved quality of care or improved food service, of the low-income residents in the facilities. The commission shall authorize electrical corporations and gas corporations to offer discounts to eligible facilities licensed or permitted by appropriate state or local agencies, and to facilities, including women's shelters, hospices, and homeless shelters, that may not have a license or permit but provide other proof satisfactory to the electrical corporation or gas corporation that they are eligible to participate in the CARE program.

(i) The CARE program shall, as soon as practicable, include public housing authority owned or administered Homekey housing facilities, as described in Section 50675.1.1 of the Health and Safety Code, where the residents of the facility substantially meet the CARE program's income eligibility requirements, as determined by the commission, and the account is in the name of Homekey, a nonprofit funded by Homekey, or the public housing authority that owns or administers the facility. The commission shall authorize electrical corporations and gas corporations to offer discounts to those identified facilities and to establish feasible processes for certifying that the assistance is used for the direct benefit of the residents of those facilities.

(j) (1) In addition to existing assessments of eligibility, an electrical corporation may require proof of income eligibility for those CARE program participants whose electricity usage, in any monthly or other billing period, exceeds 400 percent of baseline usage. The authority of an electrical corporation to require proof of income eligibility is not limited by the means by which the CARE program participant enrolled in the program, including if the participant was automatically enrolled in the CARE program because of participation in a governmental assistance program. If a CARE program participant's electricity usage exceeds 400 percent of baseline usage, the electrical corporation may require the CARE program participant to participate in the Energy Savings Assistance Program (ESAP), which includes a residential energy assessment, in order to provide the CARE program participant with information and assistance in reducing the CARE program participant's energy usage. Continued participation in the CARE program may be conditioned upon the CARE program participant agreeing to participate in ESAP within 45 days of notice being given by the electrical corporation pursuant to this paragraph. The electrical corporation may require the CARE program participant to notify the electrical corporation of whether the residence is rented, and, if so, a means by which to contact the landlord, and the electrical corporation may share any evaluation and recommendation relative to the residential structure that is made as part of an energy assessment with the landlord of the CARE program participant. Requirements imposed pursuant to this paragraph shall be consistent with procedures adopted by the commission.

(2) If a CARE program participant's electricity usage exceeds 600 percent of baseline usage, the electrical corporation shall require the CARE program participant to participate in ESAP, which includes a residential energy assessment, in order to provide the CARE program participant with information and assistance in reducing the CARE program participant's energy usage. Continued participation in the CARE program shall be conditioned upon the CARE program participant agreeing to participate in ESAP within 45 days of a notice made by the electrical corporation pursuant to this paragraph. The electrical corporation may require the CARE program participant to notify the electrical corporation of whether the residence is rented, and, if so, a means by which to contact the landlord, and the electrical corporation may share any evaluation and recommendation relative to the residential structure that is made as part of an energy assessment with the landlord of the CARE program participant. Following the completion of the energy assessment, if the CARE program participant's electricity usage continues to exceed 600 percent of baseline usage, the electrical corporation may remove the CARE program participant from the program if the removal is consistent with procedures adopted by the commission. This paragraph does not prevent a CARE program participant with electricity usage exceeding 600 percent of baseline usage from participating in an appeals process with the electrical corporation to determine whether the participant's usage levels are legitimate.

(3) A CARE program participant in a rental residence shall not be removed from the program in situations where the landlord is nonresponsive when contacted by the electrical corporation or does not provide for ESAP participation.

**SEC. 2.** 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.